

The President's Daily Brief

July 19, 1976

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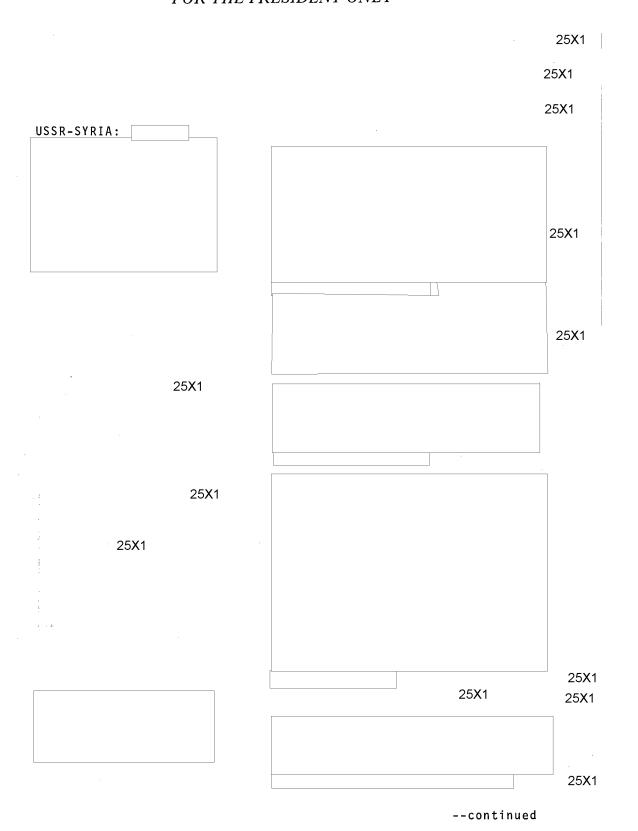
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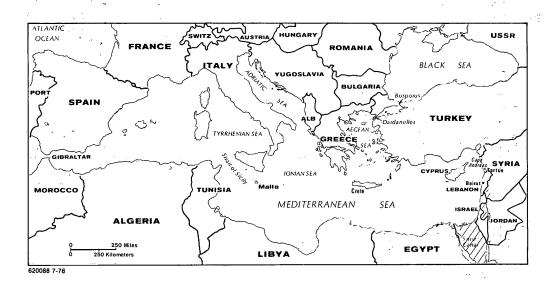
<u>USSR-</u> S	yria:	

Lebanon: The Palestinians are still refusing to negotiate with the Syrians until Damascus withdraws its troops from central and southern Lebanon. Military activity was relatively light over the weekend. (Page 3)

 $\frac{\text{Notes:}}{\text{Ethiopia;}} \ \, \text{Erench Territory of the Afars and Issas;} \ \, \text{USSR;} \\ \frac{\text{Ethiopia;}}{\text{China}} \ \, \left(\textit{Pages 5, 6, and 7} \right)$



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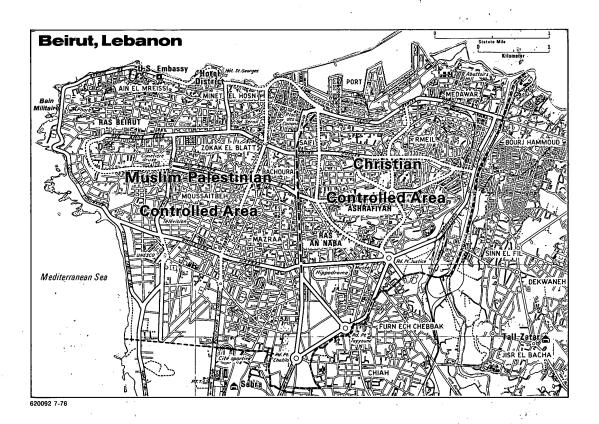
LEBANON: Palestinian leaders this weekend reiterated that they will not negotiate with Damascus until the Syrians honor their agreement to withdraw their troops from southern and central Lebanon.

The Palestinians' intransigence appears to have set the stage for Christian and Syrian troops to follow through with a new coordinated military plan that was mapped out last week. The Christian delegation that went to Damascus last week to draw up the plan reportedly received final approval from Christian leaders over the weekend and returned immediately to Syria to ask that the plan be implemented this week.

The plan reportedly calls for the Christians to open the road to Zahlah and to expand their control of east Beirut, while the Syrians tighten their blockade of Palestinian and leftist strongholds in the north. The Syrians also would interdict access routes to central Lebanon leading to leftist-controlled territory south of Beirut.

The plan then proposes a joint advance on west Beirut. US officials in the capital believe, however, that this attack would only involve an attempt to gain control of the hotel district and to establish a narrow corridor along Beirut's northern coastal perimeter.

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The announcement of the US evacuation--coupled with the collapse of mediation efforts and fears of new Syrian military moves--has prompted widespread rumors that a major attack on west Beirut will coincide with the evacuation. We have no evidence, however, that either the Syrians or the Christians are planning any action that would directly jeopardize the evacuation.

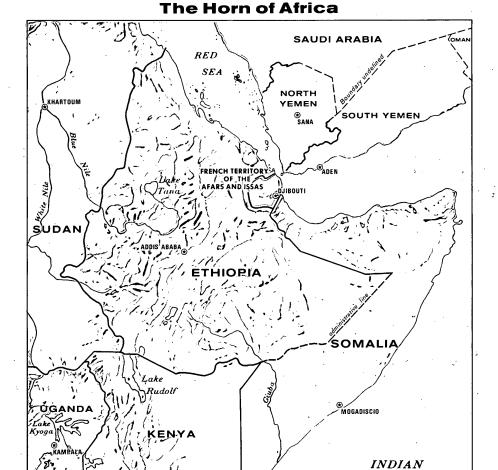
Military activity remained light in most of the country over the weekend. Most of the rumors stem from an article published over the weekend in a pro-leftist Beirut newspaper alleging that the Syrians and the Christians--with the US Sixth Fleet providing a barrier to Soviet intervention--plan to launch a final attack on the Palestinians and leftists tomorrow, just after the US evacuation is completed.

In an apparent show of concern for the safety of US and other foreign nationals, the official Palestinian news agency yesterday denied allegations of US involvement. Nonetheless, the rumors probably are generally accepted by undisciplined Lebanese and Palestinian radicals, who pose the greatest threat to the evacuees.

Fighting continued around Tall Zatar refugee camp yesterday, but there was relatively little action along the other major confrontation lines in Beirut. The Palestinians reportedly expect the Christians to try to silence the artillery fire coming from Sabra refugee camp, which is just north of the airport and close to the main highway.

In central Lebanon, there are indications that the Syrians are already carrying out their part of the new military plan. Unconfirmed press reports claim the Syrians may have even moved more forces across the border to reinforce their positions along the Beirut-Damascus highway. The Syrians apparently have dropped all pretense of carrying out their pledge to withdraw from Sawfar.

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200 Miles 200 Kilometers

NOTES

Egypt is receiving some badly needed economic assistance from other Arab states.

Finance ministers from Saudi Arabia, Kuwait, Qatar, and the United Arab Emirates met in Cairo Saturday and agreed to a draft proposal for a Saudi-sponsored fund of \$2 billion over the next five years to bolster Egypt's economy. Egypt reportedly will not be allowed to draw at will from the fund, but will be able to borrow elsewhere, using the fund as collateral, to meet its immediate foreign exchange needs. Cairo has only enough foreign exchange on hand to finance two weeks' imports. Without immediate aid, Egypt will have to rely heavily on high-cost, short-term loans.

The finance ministers apparently approved the new aid fund in disregard of Egypt's postponing economic reforms recommended by the International Monetary Fund as a condition for IMF support for other international borrowing.

The resignation on Saturday of Ali Aref Bourhan, the Afar president of the local government in the French Territory of the Afars and Issas, opens the way for the creation of a broadbased coalition in Djibouti.

Aref opposed the agreement that the French recently worked out among the three major political groups in the FTAI. The agreement will give a greater political role to the Issas and other ethnic Somalis who constitute a majority of the population.

In Aref's view, Issa domination is the first step to the annexation of the territory by Somalia. The French, however, are betting that stability is more likely to prevail in the pre- and post-independence period if the government is dominated by Issas. A referendum on independence probably will be held next March.

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The Kiev, the first unit of a new class of Soviet aircraft carrier, entered the Mediterranean yesterday on its first operational voyage.

This trip probably is a show-the-flag mission, possibly related to the situation in Lebanon. If it follows the pattern set by the helicopter carrier Moskva on its first voyage, the Kiev will operate in the Mediterranean for about six weeks.

The Kiev is equipped to carry short take-off aircraft and heli-copters, and has a variety of anti-submarine sensors and weapons. Two anti-submarine warfare heli-copters are now on the deck of the Kiev. The ship has short- and long-range anti-submarine rocket launchers and possibly torpedos. It also has surface-to-air missiles and probably an anti-ship missile system.

The Kiev-class will be no military match for US attack carriers, but this fact could be lost on all but the most sophisticated observers in the third world.

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In China, the deterioration of Chairman Mao's physical condition apparently has brought the People's Liberation Army closer to the political center stage.

The radicals and moderates both recognize that the military establishment can exert considerable, if not decisive, influence on the outcome of the current infighting. The deeper the PLA's involvement, however, the more likely it is that military factionalism will grow within its own ranks. Military men may eventually emerge with a larger25X1 voice in China's political process.

many in the PLA--in-cluding PLA leaders in the prov-inces--appear to be unenthusiastic about the radicals.

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The radicals' best prospect for support probably is among officers in the military regions and districts whose careers have suffered as a result of efforts by moderates to separate them from involvement in local civilian affairs.

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